

DFM Company posts net profit of AED 139.6 Million during the first half of 2016

His Excellency Essa Kazim:

- The market has demonstrated high level of resiliency despite of the unfavorable circumstances with General Index amongst the best performing leading indices globally and foreign investors' net purchases amounted at AED 1.4 Billion
- Preparations are underway to build a smart and sustainable headquarter in line with our "Smart Borse" strategy and Dubai's leading position as a global financial hub
- The ETF listing for the first time, the introduction of "Direct Deals Service" and the growing momentum of Rights Issues' trading reinforce DFM's strategy of innovation and diversification

Dubai, 25 July 2016: Dubai Financial Market (PJSC) today announced its financial results for the first half of the year ending 30 June 2016, recording a net profit of AED 139.6 Million, compared to AED 200 Million during the corresponding period of 2015, a 30% decrease. The net profit of the second quarter of 2016 reached AED 53.5 Million, a 60% decrease compared to Q2- 2015 level of AED 132.4 Million.

The Company recorded a total revenue of AED 227 Million in H1-2016 compared to AED 292.6 Million during H1- 2015. The revenue comprised of AED 184.8 Million of operating income and AED 42.2 Million of investment returns. The Company expenses reached AED 92.7 Million compared to AED 92.5 Million recorded during H1-2015. During the second quarter of 2016, the Company's revenue reached AED 100 Million compared to AED 178.1 Million in the second quarter of 2015, whilst expenses amounted at AED 46.5 Million in the same period compared to AED 45.7 Million during Q2- 2015.

It is noteworthy that the DFM trading value declined 32.7% to AED 69.5 Billion during the first six months of this year compared to AED 103.4 Billion in the corresponding period of last year. Trading commissions represent the main revenue stream of the DFM Company.

His Excellency Essa Kazim, Chairman of Dubai Financial Market (PJSC) said: “The slowdown in trading activity during the first half of 2016 has overshadowed the revenue and profit of the DFM Company. Meanwhile, the market has demonstrated a high level of resiliency considering the unfavorable circumstances of lower oil prices as well as international markets’ volatility. The DFM General Index has been one of the best performing amongst leading indices globally advancing more than 5% during the first half. Additionally, foreign investors (Excluding Arabs and GCC Nationals) have increased their participation on the market from 16% during the first half of 2015 to 17% during the same period of 2016 and they were net buyers of AED 1.4 Billion, a 53.6% increase, which clearly underlines their growing confidence in the market.”

New smart and sustainable headquarter

Commenting on DFM’s drive to build a new headquarter in the Business Bay, H.E. Essa Kazim said: “Preparations are underway to outline necessary plans for the implementation including engaging project managers and advisors. We are looking for front-line premises that serves the objectives of DFM and its participants including; brokerage firms, financial services’ advisors, custodians and other service providers. We are emphasizing on building a smart and sustainable headquarter in line with our “Smart Borse” strategy and the leading position of Dubai as a global financial hub.”

The DFM has received a cost-free plot of land exceeding 10 thousands square meters with approximate value of AED 231 Million from Dubai Properties in order to build the new headquarter.

Highlighting some of the first half's milestones, H.E. Essa Kazim said; "The DFM maintained its development efforts aimed at enhancing market infrastructure and regulations as per international practices. Within this context, DFM has launched the "Direct Deals Service" to streamline bulk deals on shares of a listed company within a fair and transparent environment while exempted from the price cap in effect (15% up and 10% down). Furthermore, DFM's efforts to provide investors with new financial instruments have gain momentum as the market recorded AED 527 million of trading in Rights Issues of three listed companies, which clearly indicates investors' momentous interest towards this new tool. The market also welcomed the listing of Afkar Capital's Exchange-Traded Fund (ETF) end of June in a first of its kind step. This development reinforces DFM's strategy of innovation and diversification and provides investors with an alternative investment tool to access some of the leading listed companies in the UAE."

Remarkable success for Cash Dividend Distribution

During the first half of this year, DFM has successfully accomplished the Cash Dividend Distribution for the financial year 2015 for the fifth consecutive year. AED 10.5 billion of cash dividend has been disseminated to 223,000 investors. The number of listed companies that have outsourced the dividend distribution process to DFM increased from 13 companies during the previous year to 26 companies this year.

International Investor Roadshow in London

In addition to this, the DFM has organized its International Investor Roadshow in London last May as part of its constant efforts to further strengthen links between listed companies and international investors. The roadshow has achieved outstanding success as international institutions expressed its plans to further strengthen their presence in Dubai's capital market amidst growing confidence towards the national economy's outlook and ability to maintain high growth as well as its great resilience in adapting with global developments due to its enormously diversified structure that includes various dynamic and highly growing sectors.

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About Dubai Financial Market: Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000. Following its initial public offering in November 2006, when DFM offered 1.6 Billion shares, representing 20 per cent of its paid-up capital of AED 8 Billion, DFM became a public joint stock company. Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. www.dfm.ae
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